



**FOR IMMEDIATE RELEASE**

## **John M. Floyd & Associates Announces Strategic Acquisition of Vigilance Financial Systems, LLC**

### ***Acquisition Expands JMFA's Resources for Financial Institutions***

**BAYTOWN, TX (May 30, 2007)** – [John M. Floyd & Associates \(JMFA\)](#) today announced its acquisition of Vigilance Financial Systems, LLC. JMFA is a profitability and performance improvement consulting firm, focused on helping its clients improve their bottom lines by increasing fee income, accelerating asset growth and controlling expenses. Adding Vigilance Financial's fraud detection and protection products to JMFA's other superior products and services enables JMFA to offer a more comprehensive solutions package to its clients.

Vigilance Financial Systems is a cutting edge provider of [fraud detection software](#) to the financial services industry, including its flagship product, FraudSWEEP™. FraudSWEEP is an innovative, browser-based solution that combines intelligent evaluation and authentication capabilities to protect users not only from traditional check fraud, but also from new forms of fraud that are emerging with the arrival of electronic transactions, including ACH, debit cards and remote deposit fraud.

Under the terms of the agreement, JMFA will acquire all rights to Vigilance Financial Systems' collection of fraud products. FraudSWEEP will be renamed and marketed as [JMFA FRAUD MANAGER](#). JMFA will become the exclusive provider of the product. Vigilance Financial's president, Gregg Bennett, will serve as JMFA's product expert and manager for its full product line of fraud detection software.

"We are excited to add a new JMFA product solution to our already well known products and services," said John M. Floyd, chairman and chief executive officer of JMFA. He continued, "This acquisition allows us to diversify and expand our offerings, but still stay true to our core competency of operational efficiency. We now have the tools to offer financial institutions a comprehensive solution that has a proven track record in detecting fraud and limiting losses."

Fraud detection is a crucial element for all financial institutions due to the ever increasing fraud activity in the financial services industry. As the number of payment mechanisms supported by a financial institution's back office continues to grow, so does its vulnerability to transaction fraud and loss. Competing in the emerging electronic banking environment results in exposing financial institutions to new fraud threats. Check fraud alone costs U.S. financial institutions up to \$14 billion a year, according to the Federal Reserve Bank.

Bennett stated, "I am excited to join with JMFA and assist financial institutions in detecting fraud." He continued, "Our flagship product is designed to analyze items and provide the most

efficient and accurate method for detecting potentially fraudulent transactions on the day they are presented from external sources. Helping financial institutions find these items before they result in customer problems is a crucial need within the industry right now.”

JMFA FRAUD MANAGER evaluates every incoming check and Automatic Clearing House (ACH) transaction for traits that would indicate fraud or a need for special handling or review. Based on each financial institution’s parameter settings, the software performs an extensive battery of tests on each transaction, reviewing the physical size of paper checks, payment method or transaction type, amount, the account’s historical activity and ownership relationship, length of time the account has been open, and the ACH originator. With these criteria, [JMFA FRAUD MANAGER can flag counterfeit checks, forgeries, unauthorized drafts, and unusual payment activity](#) – all on the same day the transaction is received, enabling users to return most fraudulent items within the 24-hour returns window.

The unique capabilities of the program provide an innovative way to leverage existing systems to enhance the safeguards for [fraud and loss protection](#), and to help financial institutions:

- decrease transaction vulnerabilities, allowing them to implement Check 21 and electronic payment initiatives with [tools to identify substantial fraud](#) and loss risks;
- detect [fraudulent electronic transactions](#) – which are not addressed by the traditional check centric fraud protection solutions now used by most financial institutions; and
- reduce overhead costs associated with [internal fraud management](#) and fraud losses.

By using the standard ACH and Magnetic Ink Character Recognition presentment or proof files for the source data, the software requires no core system interface, and can operate in any item or image-processing operations environment. The JMFA FRAUD MANAGER application can be installed on a local server or offered as an outsourced solution hosted on JMFA’s servers. These options allow the institution to select which configuration best meets its security needs.

“Payment mechanisms are converging, and major new risks are constantly emerging, driving an evolution in the industry. That is dramatically changing how fraud and loss protection products are built and how financial institutions will use them,” stated Steve Swanston, executive vice president, JMFA. “This acquisition will allow JMFA to be on the leading edge of fraud protection and open up new consulting opportunities in the areas of the Bank Secrecy Act and the Gramm-Leach-Bliley Act,” he concluded.

#### **About John M. Floyd & Associates (JMFA)**

John M. Floyd & Associates (JMFA) is a profitability and performance improvement consulting firm and a leading provider of overdraft privilege programs serving more than 2,000 financial institutions in 49 states and Central America. JMFA is also recognized for training, account acquisition, executive placement and earnings enhancement programs, as well as product, service, pricing and technology improvement consulting. As a direct result of our programs JMFA has helped thousands of clients dramatically improve their performance and bottom line. To learn more about JMFA, visit [www.JMFA.com](http://www.JMFA.com)

#### **About Vigilance Financial Systems**

Vigilance Financial Systems provides services focused on fraud and loss protection that address the growing threat to check and emerging electronic transactions, such as ACH and debit cards.

The company's flagship FraudSWEEP solution enables financial institutions to take a proactive approach to identifying suspicious transactions on the day of presentment. Vigilance Financial Systems is privately held and is based in Austin, Texas. Information about Vigilance Financial Systems and its products can be found on the World Wide Web at [www.vigilance-systems.com](http://www.vigilance-systems.com).

**FOR MORE INFORMATION OR INTERVIEWS:**

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